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March 26, 2007

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When calling relative to this
matter, refer to file No. 1486.

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: **Hosston Formation, Reservoir A**
Cotton Valley Formation, Reservoir A
Caspiana Field
Caddo Parish, Louisiana

APPLICATION FOR PUBLIC HEARING

Dear Sir:

KCS Resources, Inc. hereby makes application pursuant to the revised rules of procedure for a public hearing to consider evidence relating to the following matters pertaining to the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, in the Caspiana Field, Caddo Parish, Louisiana:

1. To authorize KCS Resources, Inc. to drill, complete and utilize an additional alternate unit well on HOSS RA SU64 & CV RA SU64 in Section 33-T15N-R12W Caddo Parish, Louisiana, at the exceptional location and in the manner shown on the attached plat;
2. To find that the proposed alternate unit well is necessary to efficiently and effectively drain a portion of the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, underlying HOSS RA SU64 and CV RA SU64 which cannot be efficiently and effectively drained by any other well located on said units;
3. To authorize the unit allowable for HOSS RA SU64 and CV RA SU64 to be recovered from the any of the wells located on these units at the discretion of the operator; and
4. To consider and cover such other matters as the Commissioner of Conservation may deem appropriate and necessary under the circumstances.

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The Hosston Formation, Reservoir A, in the Caspiana Field, Caddo, DeSoto and Red River Parishes, Louisiana, was defined in Office of Conservation Order No. 191-B, effective April 15, 1975.

The Cotton Valley Formation, Reservoir A, in the Caspiana Field, Caddo, DeSoto and Red River Parishes, Louisiana, was defined in Office of Conservation Order No. 191-A, effective February 15, 1975, and was further defined in Order No. 191-A-5, effective February 22, 1983.

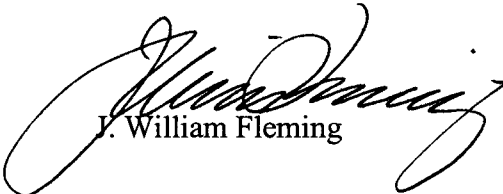
The subject matter of this application does not require the issuance of a Pre-Application Notice.

Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Mr. Ron Tuminello, 416 Travis Street, Suite 804, Shreveport, Louisiana 71101, at telephone number (318) 425-4789.

The list attached to the copies of this letter being sent to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation includes the names of all Interested Owners, Represented Parties and Interested Parties known to Applicant after a diligent search. A copy of this application, with plats attached, is being sent to each such party. Pursuant to Office of Conservation regulations, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any person requesting a copy of it. Enclosed with the copy of this letter being sent to the Commissioner of Conservation is a check for the application fee.

Yours very truly,

COOK, YANCEY, KING & GALLOWAY

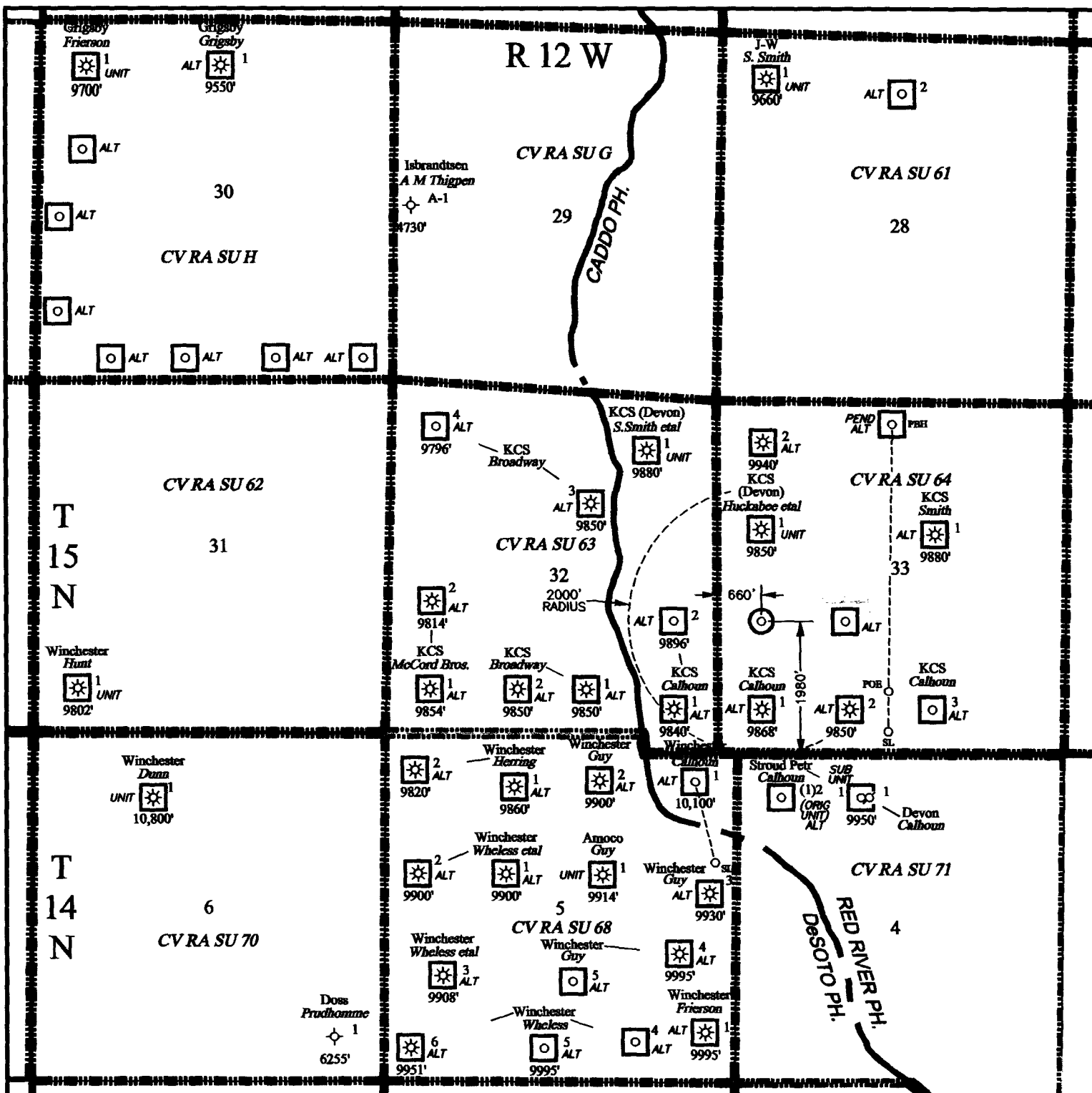


J. William Fleming

jwf:s

Enclosures

cc: James C. Broussard, District Manager
Interested Owners, Represented
Parties and Interested Parties
Mr. Craig Barclay
Mr. Ron Tuminello



KCS RESOURCES, INC.
TULSA, OKLAHOMA

CASPIANA FIELD
CADDO PARISH, LOUISIANA

**PROPOSED
ALTERNATE UNIT WELL FOR
CV RA SU 64**

----- : EXISTING UNITS

☀ : EXISTING CV RES A
UNIT AND ALT UNIT WELLS

○ : APPROVED CV RES A
UNIT AND ALT UNIT WELL LOCS

⊙ : PROPOSED ALTERNATE
UNIT WELL

